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CCP ENCOURAGES TRADE AND PRODUCTION REVIVAL

SHANG-HAI, T'IENTSING DEVELOP SPINNING INDUSTRY -- Wen-hui Pao, 29 Nov 49

According to the most recent reports from a group of Hong Kong exporters and importers who visited both Shang-hai and T'ien-ching, the former is the more flourishing of the two. In Shang-hai nearly every spinning factory, large or small, public or private, has resumed operations on a scale larger than in prewar days. Hopes are high for even greater expansion.

A sore point is the deficiency of raw cotton, caused by the fact that Hunan, Hupeh, and Kwangsi, directed all of their cotton to South China after the liberation of Kuang-chow. The cotton required by Shang-hai and T'ien-ching had all come from these places, with the exception of what had been imported from abroad.

T'ien-ching, at present, is reviving its commerce with the outside world. Shang-hai, however, is still feeling to some degree the effects of the Nationalist blockade.

The new government is doing its utmost to aid the procurement of raw materials and to assist the spinning industry to regain and surpass its former position in the Chinese economic structure. If dyestuffs and other chemical materials were to be shipped North from Hong Kong a profit of from 400 to 500 percent could be realized.

AUTHORITIES ENCOURAGE SHANG-HAI INDUSTRIES -- Wen-hui Pao, 6 Nov 49

The Shang-hai People's Bank has advanced 1.2 billion yuan (475,000 US dollars) to Shang-hai factories, mainly yarn factories, to be paid back after production gets under way. This has been done to help stock the shelves of the retail merchants. On 20 October, the Shang-hai Commodity Corporation began operations toward this end.

According to a reliable source, there are now stored in Hong Kong about 20,000 bales of cotton and 10,000 tons of chemical raw materials awaiting shipment

- 1 -

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to Shang-hai via Hsing-chou. Southeast Asia will also ship to Shang-hai via Hong Kong and Kuang-chou.

The Foreign Trade Corporation, a subsidiary of the East China Trade Bureau, is in the process of selling rubber products imported through the Nationalist blockade from Malaya and Ceylon. Another corporation has been established to handle the disposal of recently imported caustic soda.

Transportation charges on goods to Shang-hai and Hang-chou have been reduced in an effort to stimulate domestic trade.

HONG KONG - MAINLAND TRADE INCREASES -- Wen-hui Pao, 6 Nov 49

With the weakening of the Nationalist blockade, Hong Kong shipments to North China have steadily increased. Exports of raw rubber show a marked rise. According to the report of a large Hong Kong rubber company, within a few days more than 200 tons of rubber will be transported to Shang-hai and another 100 tons to T'ien-ching. Almost 50 tons of raw rubber have been shipped to Kuang-chou since its liberation. Recently, because the Nationalist fleet has blocked the Chu Chiang (Pearl River) with torpedo boats, all shipping has been temporarily suspended.

On land, the Kuang-chou--Shen-wan section of the Kuang-chou--Chin-lung Railroad is still open but since access to the city is rather difficult, shipments are few. Most large business houses in Hong Kong are directing their shipments to Shang-hai and T'ien-ching.

The Hong Kong rubber market has recently tended to be high because of the scarcity of material and increasing demand, plus a rise in the price of rubber in Singapore.

Trade conditions between Hong Kong and the mainland are very heartening. T'ien-ching is carrying on a particularly heavy business in chemical raw materials. Recently, 6,000 piculs of dyestuffs were shipped from Hong Kong.

In general prices have risen on all commodities passing from Hong Kong to Shang-hai and T'ien-ching, due in the main to the heavy buying in Hong Kong by agents of firms in North China.

EAST CHINA HOLDS TEXTILE CONVENTION -- Ta Kung Pao, 15 Nov 49

Shang-hai, 14 November -- On 12 November, some 20 members of the textile industry met in Shang-hai to discuss the sources and supply of raw cotton, textile manufacturing in general, and a reduction of production costs. Representatives from Shantung, Chekiang, and Kiangsu attended, as well as representatives of the Textiles Section of the East China Finance and Economic Commission and private textile firms.

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- 2 -

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